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REF: NEW DELHI XXXX

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

11. (C) SUMMARY: Recent developments illustrated the large gap between rhetoric and reality in Indo-Iranian relations. Iran's Ambassador to India expressed concern to the press February 5 over India's recent launch of an Israeli satellite with reconnaissance capabilities, warning India against giving its space technology to launch "spying instruments on friendly countries." The same day, Ministry of External Affairs (MEA) Minister Pranab Mukherjee made headlines by stating publicly that India did "not wish to see the emergence of additional nuclear weapon states," though he denied that India was pointing its finger at Iran. END SUMMARY.

Iran Slaps India for Israeli "Spy" Satellite
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12. (U) Reports that Iran has informally registered its concerns over India's recent launch of an Israeli "spy" satellite made front page news February 6, a day after Iranian Ambassador Seyed Mehdi Nabizadeh told reporters, hope that a wise and independent country like India will not give their space technology to launch any spying instruments on friendly countries." Nabizadeh reportedly said that Iran had informal discussions with the Indians expressing its opposition to the launch of the 300 kg TECSAR satellite. Israeli media reported earlier that the satellite would be used to spy on Iran's nuclear program. According to "The Hindu, " Nabizadeh remarked that "the U.S. continues to be hostile and even today is trying to create problems between Iran and its friendly countries. We expect friendly countries to realize this fact and not affect their relationship with Iran." India and Israel have refused to acknowledge any allegations that this was a spy satellite. (septel)

Foreign Minister Mukherjee: No More (Iranian) Nukes

13. (U) On the same day Nabizadeh held his press conference, External Affairs Minister Mukherjee delivered a speech on Asian security challenges to the prestigious Institute for Defence Studies and Analyses (IDSA) (full text emailed to SCA/INS). In a refreshing change in nuance, he clearly

expressed India's desire for the nonproliferation of nuclear weapons in the region, stating "we do not wish to see the emergence of additional nuclear weapon states, for it will only further endanger international security. Our goal continues to be a world free of nuclear weapons," adding that those who were at the center of crafting nuclear policy, such as Henry Kissinger, George Shultz, Sam Nunn and William Perry, were "having a rethink" on nuclear weapons today. Although Mukherjee told reporters he was not referring to any particular nation, including Iran, India has consistently stated that a nuclear Iran was not in India's, nor the region's, best interests.

14. (U) Post will report septel on India's decision not to participate in talks in Tehran on the Iran-Pakistan-India natural gas pipeline.

COMMENT: It's All About the Headlines, not the Substance

15. (C) Comment: These recent developments reinforce post reporting on the large imbalance between rhetoric and substance on India-Iran relations. While the Government of India consistently paints a happy face on Indo-Iran relations, citing national interests, friction continues to bubble beneath the surface between the two on the issue of nuclear non-proliferation. Suspicions of one another's intentions apparently continue to ensure distance in the bilateral relationship. Meanwhile, lofty rhetoric emanating from India serves cynically to assuage Leftist and Muslim domestic political constituencies. End comment.